

## **Monthly Progress Report #2**

For Montana Project #8191

### **Research in Support of Container/Trailer on Flatcar in Intermodal Service on Montana's Class 1 Railroads RFP# 308128 RP**

*Reporting Period: July 1, 2007 - July 31, 2007*

Submitted by:  
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Submitted to:

**Montana Department of Transportation**  
Research Programs  
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August 2, 2007

### **Task 0: Project Management**

The Kick-off meeting for the project was held on June 13, 2007. This task has been completed.

### **Task 1: Literature Review and Original Research (3.2.1.1)**

A literature review was continued to determine the state of the practice in the rail intermodal industry. Past studies conducted by Montana, North Dakota, Washington and Idaho have been requested. News articles have been tracked concerning the progress of terminals in other rural areas. Information on Montana economic activities and agencies has been collected. A questionnaire to determine user interest has been tested and distributed to 159 email addresses representing Montana shippers. This list was developed primarily from the import/export data bases which were identified. Twelve Chamber of Commerce offices were asked to distribute the invitation for survey participation to their members. It is estimated that each Chamber has 200-300 potential response candidates. (Potential response candidates do not include professional services, government, restaurant or medical facilities). The Montana Economic Developers Association (MEDA) distributed the survey link to 89 Economic Development professionals, 31 private businesses, 79 economic development affiliates and 134 Montana Ambassadors.

Six trade associations were contacted which included Montana Grain Growers Assn, Montana Wood Products Assn, Montana Mining Assn, National Grain and Feed Assn, Montana Grain Elevator Assn, and Northern Pulse Growers Assn.

To date 15 responses have been collected.

#### Action Items for Next Month:

- Continue review of literature and continue to contact users and logistics providers.

### **Task 2: Identification of Users by Geographic Region (3.2.1.1.1)**

Over 30 economic development agencies in Montana have been contacted to determine potential users, and or interest in terminal development. Professional associations have been identified which include Montana Grain Growers Association, Montana Mining Association and Montana Wood Products Association. Intermodal marketing company, third party logistics firms and international container owner lists and contacts were assembled.

#### Action Items for Next Month:

- Continue survey effort

### **Task 3: A Terminal Profile (3.2.1.1.2)**

This task was begun by looking at initial responses and identifying the profile of the terminals which originally existed in Montana.

Action Items for Next Month:

- Begin initial review of survey and interview responses.

**Task 4: Develop Montana Shipper Cost Model ((3.2.1.1.3)**

Questions were developed for a data collection tool to capture this information. Interviewed stakeholders about what types of incentives they felt would be needed to attract the carriers.

Action Items for August Month:

- Identify trucking companies who serve Montana shippers.

**Task 5: Document Current Intermodal Activities (3.2.1.1.4)**

Completed a letter requesting information and support for the study from Barbara Ranf, reply is pending. Identified that several trains per week of bare platform cars are moving west bound on BNSF. NYK just announced a new 168 acre terminal at an estimated cost of \$300 million at the Port of Tacoma, WA.

Action Items for Next Month:

- Discuss intermodal study with the Union Pacific railroad

**Task 6: Exploration of Railroad Incentives (3.2.1.1.5)**

Stakeholders were interviewed to determine what types of incentives should be explored in order to attract carriers to provide intermodal service.

**Task 7: Intermodal Service Recommendation (3.2.1.2)**

Draft report to be sent for review November 2007

Final report and Project Summary Report to be completed by December 31, 2007

**Summary of Expenditures**

Table 1 summarizes the project costs through July 31, 2007. July 2007 cost activities amounted to \$12,760.93 leaving \$58,969.20 for the remainder of the project.

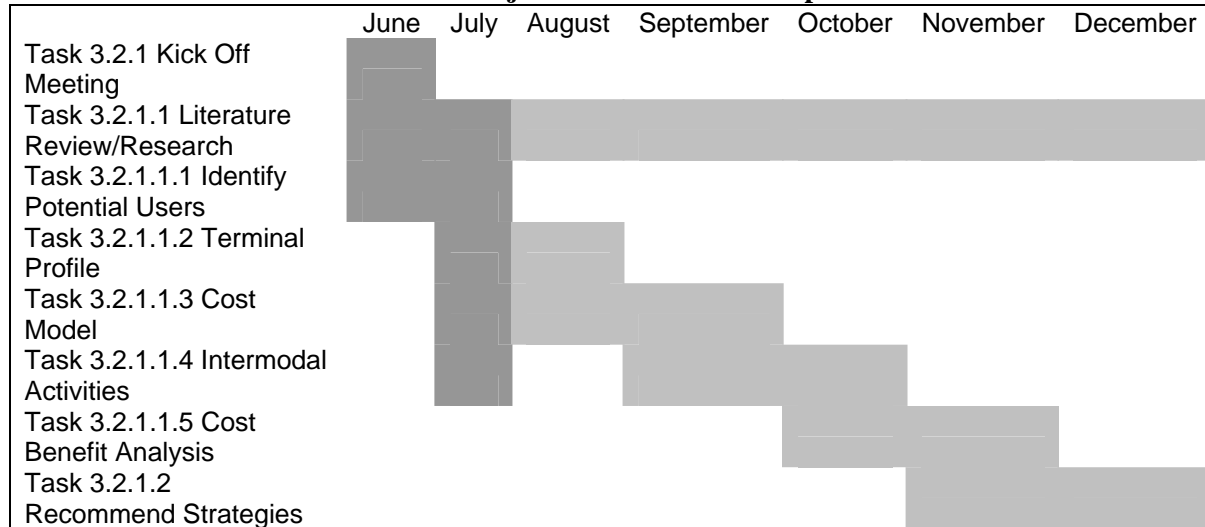
TABLE 1. Summary of Expenditures (June 1, 2007 - July 31, 2007)

Budget Category	Budgeted Funds	Spent This Period	Total Spent	Total Remaining
Labor	\$27,520.00	\$4,900.00	\$8,540.00	\$18,980.00
Subcontract	\$23,204.00	\$2,816.00	\$6,461.00	\$16,743.00
Travel	\$4,800.00	0	\$1,243.94	\$3,556.06
Operatons/Communication	\$1,000.00	\$144.93	\$289.86	\$710.14
Indirect	\$27,520.00	\$4,900.00	\$8,540.00	\$18,980.00
<b>Total</b>	<b>\$84,044.00</b>	<b>\$12,760.93</b>	<b>\$25,074.80</b>	<b>\$58,969.20</b>

### Project Schedule Summary

A summary of the project status is shown in Figure 1. The project has been underway for two months, five project areas have been initiated.

**FIGURE 1: Project Schedule with Completed Work**



### Hours Spent in July by Task Break Down

Hours By Task	PI Ogard Hours	WTI Stephens Hours	WTI Cole Hours
Task 3.2.1 Kick Off Meeting			
Task 3.2.1.1 Literature Review/Research	24		
Task 3.2.1.1.1 Identify Potential Users	40	6	32
Task 3.2.1.1.2 Terminal Profile			
Task 3.2.1.1.3 Cost Model	2		
Task 3.2.1.1.4 Intermodal Activities	4		
Task 3.2.1.1.5 Cost Benefit Analysis			
Task 3.2.1.2 Recommend Strategies			
July	70	6	32